

**LICENSES AND CONSUMER SERVICES  
LICENSE INSPECTOR'S REPORT**

**License Number:** L247 50416      **Police File Number:** 13433

**Date of Application:** September 10, 2013

**Inspector:** Ronald Martin, 612-673-3903

**Applicant/Legal Entity:** Kyatchi, LLC.

**DBA/Trade Name:** Kyatchi

**Complete Address:** 3758 Nicollet Avenue South, Minneapolis, MN 55409

**License Requested:** Class "E" Charter On-Sale Wine with Strong Beer.

**Current License:** None.

**Responsible person within 75 miles of Minneapolis City Hall:** Sarah Peterson

**Public Hearing Requirement:** A public hearing is not required.

**License Conditions:** None

**Neighborhood/Ward:** Kingfield / 8

**Zoning:** C1 – This is a permitted use in the Neighborhood Commercial District.

**7 acre requirement:** This location does not meet the seven acre requirement, it may be approved as a charter wine establishment.

**Off- Street Parking:** The Office of the Zoning Administrator requires four off-street parking spaces for this location.

**Churches or schools within 300 feet of the proposed premises:** None.

**Seating:** Inside: 53 Seats      Outside: 22 seats

**Fire Occupancy:** TBD

**Food Service Requirement:** The applicant wants to operate with a Charter Wine license. They are required to operate as a restaurant subject to the 60/40 ratio of food to alcohol sales. No more than 40% of gross annual sales may be from alcohol.

**Hours of operation proposed:** Inside: 4:00pm to 1:00am – Monday to Friday  
11:00am to 1:00am – Saturday to Sunday  
Outside: 4:00pm to 12:00am – Monday to Sunday

## **HISTORY OF LOCATION**

There had been a previous On-Sale Wine with Strong Beer, Class E licensed business at this location, doing business as "Chelly's Café" from December 2007 to April 2009.

## **APPLICANT**

The applicant is Kyatchi, LLC, a Minnesota limited liability corporation formed on June 25, 2013, under Chapter 322B (File Number 677679700029), having the required restriction on the transfer of stock and has the following owner and members:

<b><u>Name</u></b>	<b><u>Title</u></b>	<b><u>Shares</u></b>
Parkson, LLC.	Owner	95%
Anne Saxton	Member	5%

The majority stockholder is a limited-liability corporation (Parkson, LLC), which owns Kyatchi, LLC. Parkson, LLC has 2 members, who are Samuel Elliot Peterson and Sarah Catherine Peterson. Kyatchi, LLC has 3 members, who are Samuel Elliot Peterson, Sarah Catherine Peterson and Anne Marie Saxton.

## **Members of Kyactchi, LLC:**

Samuel Elliot Peterson	Chief Financial Manager and Vice-President
Sarah Catherine Peterson	Chief Executive Officer and President
Anne Marie Saxton	Member

## **MANAGER**

The managers of Kyatchi will be Sarah Peterson and Samuel Peterson. Ms. Peterson has been employed by numerous City of Minneapolis licensed on-sale liquor establishments since 2001, including Azia, Stella's Fish Café, Tonic, and Bar Abilene. Ms. Peterson has passed the criminal background check. Mr. Peterson has been employed in a managerial capacity in various retail businesses since 1996, including General Manager of First Avenue nightclub from 1996 to 2008. Mr. Peterson has passed the criminal background check.

## **POLICE REVIEW**

Police Licensing and this Inspector have reviewed the expenses and source of funds reported in this application. The applicant has provided documentation showing adequate legal and traceable funding for this venture and has passed the criminal background check. The Fifth Precinct of the Minneapolis Police Department has discussed security issues with the applicant.

## **PREMISES**

The lease shows exclusive use of premises by applicant. The premises are on the first floor of the establishment. The premises occupies approximately 1,507 square feet. Approximately 987 square feet of that is for seating areas. There are 44 seats at tables and 9 seats at the food service counter. The rest of the establishment consists of a kitchen, storage areas, and rest rooms. The licensed premises space is compact and contiguous. There are no undefined spaces. The men's and women's restrooms are also located on the main floor of this establishment.

## **SIDEWALK CAFÉ**

The applicant has also applied for a sidewalk café license. The sidewalk café area will be located on Nicollet Avenue on either side of the main entrance. The dimensions of the café will be 24 feet by 6 feet. The café will have a maximum of 7 tables and 22 chairs. There will remain at least a 6 foot width for pedestrians on the sidewalk. The sidewalk café will have table service. Public Works has approved the final plan for the sidewalk café. A public hearing for this sidewalk café license will be held on October 7, 2013.

## **BUSINESS PLAN/OPERATIONS**

Kyatchi will be a neighborhood restaurant with a menu that includes numerous varieties of sushi, grilled fish and seafood, rice and noodle entrees, soups and salads. The menu will also include a selection of sake, wine and Japanese beer. The business plan also states that Kyatchi will emphasize fresh, organic and local ingredients.

The applicant has contracted with Alcohol Compliance Services (ACS) to provide initial alcohol compliance training to its staff within 30 days of licensure. On-going alcohol compliance training will be provided on an annual basis. The staff on Kyatchi will require a valid ID from any person requesting alcoholic beverages who appears to be under the age of 35. The applicant does not intend to use electronic ID scanner devices at this time.

The hours of operation for the establishment will be 4:00pm to 1:00am on Monday through Friday, and 11:00am to 1:00am on Saturday and Sunday. The hours for the sidewalk café area will be 4:00pm to 12:00am on Monday through Sunday. The applicant has also applied for a special late-night food license, to remain open for food service beyond authorized alcohol service hours. The special late-night food license application is on hold; the business plan is currently being reviewed by staff and will be brought forward at a later date.

All litter and trash will be removed from within a 100 foot perimeter of the establishment at least twice daily.

Due to the nature of the business and lack of live or amplified entertainment, the applicant expects noise concerns to be minimal. The employees of Kyatchi will monitor all outdoor areas to discourage loitering.

There will be no mechanical amusement devices or team sponsorships.

No charitable gambling is anticipated. Kyatchi does not intend on sponsoring any sports teams.

## **PUBLIC HEARING SUMMARY**

There is no public hearing required for the Class E Charter Wine with Strong Beer license application because the license type and class of entertainment are not increasing from what was previously allowed at this location.

## **RECOMMENDATION**

The Licenses and Consumer Services Division recommends approving this application for a Class E Charter Wine with Strong Beer License, and a Sidewalk Café license.

## **LICENSE CONDITIONS**

There are no license conditions being placed on this license at this time.